

Washington (Mr. ADAM SMITH) is recognized during morning hour debates for 5 minutes.

Mr. ADAM SMITH of Washington. Mr. Speaker, in the early part of this decade, no problem seemed more unsolvable than the problem of our growing Federal deficit. It was at over \$200 billion at that point, projected to hit \$300 billion in rapid succession, and projected by the end of the decade to be well over \$500 billion. Now, fortunately, we began to head in the right direction at that point and were actually almost in a position to get to a balanced budget.

That is the good news. The bad news is that we are now looking like we are going to snatch defeat from the jaws of victory.

The biggest part of this problem comes from the talk that we have heard here recently about a surplus. I hear my colleagues talking about it, I see it on television, I even hear it in my local press, that there is going to be a \$1.6 trillion surplus over the next 10 years.

The only problem with that is it is not really true. We are not going to have a \$1.6 trillion surplus, and the talk about that surplus I find very disturbing, because it puts us in a position to back away from our commitment to a balanced budget. It gives us the illusion that we have money that we do not have, and I fear that it is going to get us to the point where we are not going to get to the balanced budget that we have worked so hard for over the past 7 or 8 years.

It is important to explain these figures. So if we are not going to have a \$1.6 trillion surplus, why are so many people saying we are going to have a \$1.6 trillion surplus? It is because they count the money that we borrow from Social Security as income. It is just an unusual way of accounting that they do back here in Washington, D.C.

Somehow, if we borrow money from a bank or from anyplace else, that counts as being borrowed, but if we borrow it from Social Security, it counts as income. Well, that is not true, because, just like the bank and like any other source, we have to pay the money back to Social Security, plus interest.

Now, you might say, well, so part of the \$1.6 trillion surplus comes out of the Social Security trust fund. Well, that still gives us some money to play around with.

Unfortunately, when you look at the \$1.6 trillion over 10 years, only \$31 billion of that \$1.6 trillion comes from any place other than the Social Security trust fund. So we truly do not have a surplus.

Unless we are willing to spend money that comes directly out of the Social Security trust fund on something else, we do not have a surplus. We cannot consider it a surplus, and we must be honest in the way we evaluate those numbers.

I find it particularly disturbing to hear some of my colleagues from the

Republican side of the aisle talking about this surplus, because I remember back in the late eighties and early nineties they were the ones who first raised the argument that this was unfair, that we were masking the true size of the deficit.

Now, at the time Democrats were in the majority, so it was in their political interest to make that point, because it made us look bad. I was very troubled by that argument at the time, and I was troubled by it as a Democrat for one very good reason: They were right and we were wrong. We needed to address that issue and change it. But now we are in the latter part of the 1990's, they are in the majority, and now they are talking about a surplus, as if the Social Security trust fund was income that we could spend any way we want.

We need to stop doing that. We need to be honest about the numbers and make sure that we stay on a path to a balanced budget. A balanced budget is critical to this country. It helps our economy and protects our future. We need not to back away from it.

I understand with why we do this. I have people come by my office every day who have ideas to spend money on a variety of programs or have ideas for tax cuts in a variety of areas, and rarely does someone come by my office and present an idea where I can honestly say no, that would be a complete waste of money. That would not do any good for anybody.

Yes, there are programs that can use more money and taxes that could be cut, but the point is, where is the money going to come from? That is when you get to hard decisions.

No one likes to make hard decisions, so what we want to do is we want to say we can take it from the surplus. That is the easy answer. It is free money. We can give you tax cuts, we can give you spending, everything you want, we can promise you the world, and we can simply take it that take it from this mythical surplus. So I understand why we want to do this, because it is an easy way out.

But we were not elected to take the easy way out. We were elected to give people honest answers and give them an honest assessment of where the budget is. And the honest assessment is that we are doing okay. We are headed in the right direction. But we do not have a surplus this year, and we do not have that \$1.6 trillion projected surplus that we have heard so much about over the last 10 years. Almost all of that money is taken from the Social Security trust fund, is borrowed from it. It is not money that we can spend, for the very good reason that we have to give it back. We have to give it back, plus interest. And if we have spent it, we are going to run up debts or not be in a position to pay the money back.

I strongly urge this body in the last four or so weeks that we have in session here to not break down from our commitment. We have worked so hard

to get to a balanced budget. Let us get there. Let us be honest about the numbers, and let us stop using the money that we borrow from Social Security to mask the true size of our deficit.

ASSISTING AMERICA'S FARMERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 21, 1997, the gentleman from Minnesota (Mr. GUTKNECHT) is recognized during morning hour debates for 5 minutes.

Mr. GUTKNECHT. Mr. Speaker, I rise today to talk about a very important issue, not only for people in my district, but I think for people all over the United States.

Yesterday morning I met with farmers in Kasson, Minnesota, and we talked about low commodity prices. For the benefit of Members who probably do not follow commodity prices and how they affect our farm economy and ultimately affect the entire economy, I would like to bring our colleagues up to speed.

Yesterday I think the posted price in Kasson, Minnesota, for corn was \$1.44 a bushel. To inform my colleagues, the cost of production on that corn is somewhere north of \$2 per bushel.

I know that some of our colleagues on the left are saying the problem is Freedom to Farm, that that was a huge mistake in the farm bill we passed several years ago, and that is the reason for that. It is curious, however, they were not complaining when the price of corn was in excess of \$3 a bushel.

The truth of the matter is, allowing farmers the decision about where and how they want to plant their crops and which crops to plant on which acres, the whole notion of allowing freedom to farmers I think is a good idea and an idea whose time had come.

The problem is that we have lost over \$5 billion worth of exports over the last year or year-and-a-half. That is \$5 billion that has come right out of the pockets of farmers throughout the United States.

But it has particularly affected the farmers in the upper Midwest where we are very dependent on export markets. Why has that happened? For a variety of reasons. One is the decline in the economy in Asia. That was a very large export source for us, particularly in the upper Midwest. But \$5 billion has come right out of the pockets of farmers. Coincidentally, this administration has failed to use nearly \$5 billion in export enhancements. At the very time we need to export more, the administration has done less in terms of encouraging more exports.

What are we going to do about this? I think it is incumbent upon the Congress to respond, and to respond this fall. Obviously, because we have had relatively good farm incomes for the last couple of years, we are not in a crisis state yet, but we certainly will be, unless Congress takes some immediate and important actions and takes them yet this fall.

First of all, I think we need to make certain that the United States has a seat at the bargaining table as it relates to trade talks.

One of the most important things this Congress can do, and I hope we will do it next week, is to vote on Fast Track. As I talk to farmers around my district, and literally I have talked to thousands over the last month, one of the most important things they all tell me is that we need to pass Fast Track. Whether you are talking to the Corn Growers Association, the Soybean Growers Association, the Farm Bureau, virtually any farm group that you talk to put as one of their top priorities passing Fast Track so we can negotiate with our trading partners and get a bigger share of the world market out there.

The next thing we have got to do is make certain we enforce the trade agreements that we currently have with our trading partners. It is no secret that many of our trading partners are not living up to the agreements they have signed with the United States, whether it is the heavy subsidies in Europe or our friends to the north in Canada.

There is clear evidence, and now we finally have the administration filing a 301 petition in the World Trade Organization against Canada for some of the things they have been doing. They have not lived up to their agreements under the North American Free Trade Agreement as far as we are concerned, particularly on the issue of dairy. We see where they are continuing to try to keep American exports out of Canada. They are applying penalties to the United States and using some of that penalty so they can further subsidize their exports into other markets, further putting American producers behind the 8-ball. So we have to do more to enforce the trading agreements that we have.

Another point that has come up in many of my discussions with farmers is we understand that we have got to do all we can as a Nation to help rebuild those economies, particularly in Asia. The issue of the IMF, the International Monetary Fund, has come up at many of the meetings I have been at. I think there is generally support for doing something to try to strengthen those economies, but there is a growing concern, and I share that concern, that much of the money we have given to the IMF has been wasted.

In fact, I think Indonesia and Russia are good examples. When you look at the evidence of the billions and billions of American tax dollars that have been spent in those regions, we see very little evidence that it has made much difference. So I and some of my colleagues are talking to people here in Washington about rather than giving in to the administration's request for another \$18 billion of American tax dollars going into the IMF, why do we not take at least half of that money and provide low interest loans to some of

our trading partners so they can buy some of this surplus grain that we have here in the United States at low prices?

We are like that car dealer or that carpet dealer that is overstocked, and we are having a sale of the century. We ought to move that grain and use that money so that our trading partners can buy that at low-interest loans.

There are a number of things that we can do here in Washington in the next several weeks to improve the lot of farmers in Minnesota and around the country, and hopefully we can get that done.

MOVING FORWARD ON A POSITIVE AGENDA

The SPEAKER pro tempore. Under the Speaker's announced policy of January 21, 1997, the gentleman from New Jersey (Mr. PALLONE) is recognized during morning hour debates for 5 minutes.

Mr. PALLONE. Mr. Speaker, I wanted to take my 5 minutes this morning to stress again, as I have several times on the floor over the last week or so since we came back from our August recess, how important it is for us to move forward on a positive agenda that addresses some of the major concerns that the American people want us to deal with before this Congress adjourns in approximately four weeks.

I have to say the Democrats are united behind a strong and bold agenda which addresses the real challenges that face working families. Democrats have been working together over the last year and will be over the next few weeks to enact our priorities and deliver a clear message to the American people about what we stand for.

There are two main areas which I think need to be prioritized. One is the idea of saving Social Security first, and the other is a Patients' Bill of Rights, or HMO reform.

I am very concerned about what may happen this week with regard to a tax bill that is proposed to come out of the Committee on Ways and Means this Thursday and that will spend a significant portion of the so-called surplus that we allegedly have, but will not address the concerns over Social Security.

In fact, in today's Congress Daily, some of the Republican members of the Committee on Ways and Means who were concerned about addressing the Social Security issue actually were told that they will have to wait until next year to deal with that; we will do the tax bill first and worry about Social Security later.

Well, that is the wrong priority. We should be dedicating every penny, every penny of that surplus, towards shoring up the Social Security system, rather than providing short-term tax cuts that will primarily help the wealthiest Americans.

President Clinton said at the beginning of this year, and he has repeatedly said over and over again, that Demo-

crats want to make sure that whatever surplus there is over the next few years is used to basically make the Social Security system sound, because we know that in another 20 or 30 years there will not be enough money in Social Security to pay for current levels of benefits.

What we also need to point out is that most of the Social Security trust that is in surplus right now has been lent, if you will, to the Federal Government, and has to be paid back with interest.

Well, right now if you look at that trust money that has been lent to the government and essentially been used, we do not really have a surplus in our general revenue funds, because we have to pay back that Social Security money that was lent to the government. So I will insist, I will insist, and I think that most of my colleagues in the Democratic Party will insist, that before any tax cut is given back and any money is spent of this so-called surplus, that we make sure there is enough money left to pay for Social Security.

That is not the case right now. There is not enough money in the so-called "surplus" to pay back what is owed to the Social Security system, and we should not be passing any tax cut bill or giving out or even spending money on new programs or priorities until we make sure that that money is available for the Social Security recipients.

The Republicans are going to try to mask that this week and pretend as if there is a surplus out there. There is no surplus when you think about the money that has to be paid back to Social Security. Let us not pass a tax bill unless we have a guarantee in that tax bill that the money will be set aside for Social Security before any more money is spent or paid out in tax cuts this year.

The second issue that I would like to raise, and I think we need to address before Congress adjourns in the next four weeks, is HMO reform. The Democrats have put forth a Patients' Bill of Rights. The President, again, in his State of the Union address earlier this year, emphasized that we need to pass HMO reform during this Congress. The Democrats have put forth a very good bill called the Patients' Bill of Rights that is real HMO or managed care reform. We need to pass this legislation before we adjourn.

Again, the key elements of this bill, I would just like to list some of the key elements of the Patients' Bill of Rights: Guaranteed access to needed health care specialists, access to emergency room services, continuity of care protections, access to timely internal and external appeal process, limits on financial incentives to doctors, assuring doctors and patients can openly discuss treatment options, and an enforcement mechanism that ensures recourse for patients who are maimed or die because of health plan actions.

The main thing we want to do with this Patients' Bill of Rights is we want